

SF PHOSPHATES LIMITED COMPANY

A UTAH LIMITED LIABILITY COMPANY

9401 North Highway 191

Vernal, UT 84078-7802

(801) 789-7795

FAX (801) 789-2944

DATE: 2-8-1993TIME: 11:15SUBJECT: Reclamation Bond M/047/007

TO:

Tony Gallegos
D.O.G.M.*DRAFT VERSION
OF MR-RC*

FROM:

Ron Ryan
SF PhosphatesNUMBER OF PAGES: 10 (Including Cover Page)

TELECOPIER OPERATOR: _____

If you do not receive all pages, please call (801) 789-7795.

c:fax

FORM MR-RC

Revised October 23, 1991

RECLAMATION CONTRACT

File Number M/047/007

Effective Date _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECLAMATION CONTRACT

--ooOoo--

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

M/047/007Phosphate

"MINE LOCATION":

(Name of Mine)
(Description)

Vernal Phosphate Operation
11 Miles North of Vernal
Utah, in Uintah County

"DISTURBED AREA":

(Disturbed Acres)
(Legal Description)

180(refer to Attachment "A")

"OPERATOR":

(Company or Name)
(Address)

SF Phosphates Limited Company
9401 North Hwy 191
Vernal, UT. 84078-7802

(Phone)

(801)789-7795

OLD SURETY
WAS FOR 2,025.5 ACRES (3.1 MILLION)
THEN REDUCED TO 1,874 ACRES (4.7 MILLION)

DRAFT VERSION
OF MR-RC

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

*NAME OF AGENT?*SF Phosphahtes Limited Company9401 North Hwy 191Vernal, Utah 84078-7802(801)789-7795**"OPERATOR'S OFFICER(S)":***OTHERS?*Jim Williams, Vice President**"SURETY":**

(Form of Surety - Exhibit B)

Surety Bond**"SURETY COMPANY":**

(Name, Policy or Acct. No.)

Johnson and Higgins**"SURETY AMOUNT":**

(Escalated Dollars)

\$1,973,000**"ESCALATION YEAR":**1996*OK***"STATE":**State of Utah**"DIVISION":**Division of Oil, Gas and Mining**"BOARD":**Board of Oil, Gas and Mining**EXHIBITS:**

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between SF Phosphates Ltd Co. the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/047/007 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Jim Williams

Authorized Officer (Typed or Printed)

Authorized Officer's Signature

Date

SO AGREED this _____ day of _____, 19____.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY _____

James W. Carter, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By Dianne R. Nielson, Director

Date _____

STATE OF Utah)COUNTY OF Uintah)

ss: _____

FOR
NOTARY
*LEAVE BLANK UNTIL
SIGNED IN PRESENCE OF
NOTARY

On the _____ day of _____, 19____, personally
appeared before me, who being duly sworn did say that he/she, the said
_____ is the Director of the Division of
Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she
duly acknowledge to me that he/she executed the foregoing document by authority
of law on behalf of the State of Utah.

Notary Public
Residing at: _____

My Commission Expires: _____

OPERATOR:

SF Phosphates Limited Company
Operator Name

By Jim Williams, Vice President
Corporate Officer - Position

Date _____

Signature

STATE OF Utah

COUNTY OF Uintah

ss: *FOR NOTARY*
LEAVE BLANK UNTIL SIGNED IN PRESENCE OF NOTARY

On the _____ day of _____, 19____, personally
appeared before me _____ who
being by me duly sworn did say that he/she, the said _____
is the _____ of _____
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
_____ duly acknowledged to me that said
company executed the same.

Notary Public
Residing at: _____

My Commission Expires:

ATTACHMENT "A"

SF Phosphates Limited Company
Operator

M/047/007
Permit Number

Vernal Phosphate Operations
Mine Name

Uintah County, Utah

The legal description of lands to be disturbed is:

Sections 17, 18, 19 and 20, Township 25, Range 22 East,
Uintah County, Utah

SLEM

MAP?

1 SECTION = 640 ACRES!
NEED MORE DEFINITIVE DESCRIPTION
OR A MAP.

MISSING PAGE 8 OF 9
SURETY PAGE

EXHIBIT B

MR FORM 5

October 1991

Bond Number _____
Permit Number M/047/007
Mine Name Vernal Phosphate Opns

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LAND RECLAMATION ACT**SURETY BOND**

The undersigned SF Phosphates Limited Company
as Principal, and Johnson and Higgins
as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors,
successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas
and Mining (Division) in the penal sum of One Million Nine Hundred Seventy Three
dollars (\$ 1,973,000).

Principal has estimated in the Mining and Reclamation Plan approved by the Division
on the 24 day of February, 19 93, that 180 acres of
land will be disturbed by mining operation in the State of Utah. 861.7

A description of the disturbed land is attached hereto as "Attachment 1"

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and
Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and
regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase
in the area disturbed or the extent of disturbance, then, the Division may require that the
amount of this Surety Bond be increased, with the written approval of the Surety.

USE DATE OF LAST APPROVED REVISION (?)

⇒ NEED AMENDMENT/REVISION TO THE RECLAMATION PLAN

Page 2
MR-5
Exhibit B

Bond Number _____
Permit Number M/047/007
Mine Name Vernal Phosphate Opns

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date _____

SF Phosphates Limited Company
Principal (Permittee)

By (Name typed): Jim Williams

Title: Vice President

Signature: _____

Date _____

Surety

By (Name typed): _____

Title: _____

Signature: _____

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Exhibit B

Bond Number _____
Permit Number M/047/007
Mine Name Vernal Phosphates Opns

"ATTACHMENT 1"

SF Phosphates Limited Company
Operator

M/047/007
Permit Number

Vernal Phosphate Operations
Mine Name

Uintah County, Utah

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Sections 17, 18, 19 and 20 Township 25 Range 22 East,
Uintah County, Utah

** NEED MORE
AND/OR DESCRIPTION
MAP*

MAP?